



BUILDER/DEVELOPER INCENTIVE PROGRAM (BDIP)

The Maryland Department of Housing and Community Development (DHCD) is offering to provide additional downpayment and closing cost assistance to homebuyers who (1) are eligible for and receive a Maryland Mortgage Program loan (MMP), and (2) receive a financial contribution for the purchase of their home from a builder/developer participating in the Builder/Developer Incentive Program (BDIP).

Note: Under MMP, private lenders originate the MMP loans, and DHCD's master servicer then purchases the MMP loans from the private lenders.

1. TYPE OF BDIP ASSISTANCE

The BDIP assistance from the DHCD is in the form of a zero percent deferred payment loan through DHCD's Down Payment Assistance (DPA) Program. Homebuyers may also be eligible for other types of down payment and settlement expense assistance under the standard MMP loan products. Homebuyers should discuss the types and terms of MMP loan products available with their lender, including the various types of down payment and closing cost assistance they may be eligible to receive in addition to the BDIP.

2. PARTICIPATING BUILDER/DEVELOPER

A participating builder/developer is a builder/developer who has agreed to participate in the BDIP. A participating builder/developer must complete and submit to the DHCD a Builder/Developer Participation Agreement to become a participating builder/developer.

3. ELIGIBILITY OF BORROWER

To participate in BDIP, the borrower must:

- a. Be a homebuyer who is purchasing a home from a participating builder/developer.
- b. Be eligible for and receive an MMP loan. If a homebuyer does not receive an MMP loan, the homebuyer is not eligible for the BDIP assistance.
- c. Ensure that the participating builder/developer's contribution is present at the time of settlement of their MMP loan.

4. BUILDER/DEVELOPER CONTRIBUTION

The participating builder/developer shall make its financial contribution available at the time of settlement of the homebuyer's MMP loan.

5. OTHER ELIGIBLE CONTRIBUTIONS TO THE HOMEBUYER

If a homebuyer meets the eligibility requirements of Section 3 above, contributions from local governments, unions and nonprofit agencies may also be eligible for a BDIP match. If eligible, these contributions will be added by the lender to the contribution being made by the participating builder/developer. These financial contributions shall be made available at the time of settlement of the homebuyer's MMP loan.

6. THE AMOUNT OF THE DHCD'S BDIP LOAN

After receiving the required information from the homebuyer regarding contributions from the participating builder/developer as well as other sources, if any (see Section 5 above), the lender will add the eligible contributions together to obtain the total contribution being provided to the homebuyer. In addition to the standard assistance the DHCD provides under MMP, DHCD will provide BDIP assistance in the form of a zero percent deferred DPA loan in an amount not to exceed the maximum BDIP assistance amount in effect at the time of loan application.

The lender requests the BDIP funds as established by the program.

Note: The DHCD reserves the right to change the amount of assistance to be provided under BDIP and/or the terms of the assistance not less than 30 days after notifying the participating builder/developer of any changes.

GUIDELINES

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- a. Sign and return the Builder/Developer Participation Agreement to the DHCD by mail or by email to: singlefamilyhousing@mdhousing.org
- b. Qualify its homebuyers for eligibility to receive the Builder/Developer contributions for down payment and closing cost assistance.
- c. Determine the type of financial contribution the builder/developer will provide.
Prepare the internal documentation necessary for the builder/developer's contribution.
The builder/developer is responsible for servicing any loan it provides to a homebuyer.
- d. Ensure that the builder/developer's financial contribution is available at settlement.
Note: If the participating builder/developer fails to provide its financial contribution at this time, the homebuyer may not be eligible to receive the MMP loan and the BDIP/DPA loan.
- e. Designate an authorized representative who will coordinate with the MMP lender. The authorized representative will:
 1. Complete and sign the "Verification of Builder/Developer Contribution" form;
 2. Instruct the homebuyer to return the signed "Verification of Builder/Developer Contribution" form to the homebuyer's lender; and
 3. Coordinate with the lender to ensure that the builder/developer's contribution is made available at the settlement of the homebuyer's MMP loan.
- f. Direct the homebuyer to the DHCD website, www.mmprogram.org, or the DHCD Single Family Programs toll-free telephone line, 1-800-638-7781, for information regarding the BDIP and MMP.
- g. The participating builder/developer will notify the DHCD in writing should it choose to terminate participation in the BDIP. The notice must include an effective date of termination of participation. The participating builder/developer is expected to honor any active "Verification of Builder/Developer Contributions" that it may have provided to homebuyers prior to the effective date of termination.

7. DURATION/TERMINATION OF BDIP

- a. These builder/developer guidelines are effective September 22, 2014.
- b. The DHCD anticipates that BDIP will remain open for a substantial period of time; however, if the DHCD determines it is in the State's best interest, the DHCD may close the BDIP. Should the BDIP close, the DHCD will notify the approved lenders in writing at least 30 days prior to closing the BDIP. All the BDIP applications from homebuyers with a Verification of Builder/Developer Contribution from the participating builder/developer in place prior to notification by the DHCD of the closing of BDIP will be honored by the DHCD.
- c. DHCD may terminate the participation of any participating builder/developer should the builder/developer fail to follow the BDIP guidelines.

Revised 09.18.14. Information is subject to change.



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